



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

DIVISION OF HEALTH CARE FINANCE AND POLICY

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ADMINISTRATIVE BULLETIN 05-07
NURSING FACILITY DIRECT CARE ADD-ON COMPLIANCE
August 19, 2005

This Administrative Bulletin outlines a one-time compliance program for nursing facilities that have failed Direct Care Add-On compliance for SFY 2005 due to a shortfall in spending on Tests 1 and 4 as set forth in 114.2 CMR 6.06(1)(b).

One-Time Compliance Program

If a nursing facility determines that it will not be in compliance for SFY 2005 due to a shortfall in spending on Tests 1 and 4 but meets the qualifications listed below, the facility will have the opportunity to come into compliance by paying the shortfall as a one-time bonus to direct care staff. A facility will qualify for this opportunity if it meets both of the following criteria:

1. The facility was compliant in SFY 2004 based on Tests 1 and 4
2. The facility's reported cost per nursing minute for SFY 2005 is between \$0.3805 (the standard cost for SFY 2004) and \$0.4298 (the standard cost for SFY 2005)

Filing and Payment Requirements

Facilities planning to pay a qualifying bonus must also meet the following four conditions:

1. The facility must return the "Nursing Facility Direct Care Bonus Payment Form SFY2005" (attached) to the Division by November 1, 2005 to indicate that it plans to make a bonus payment.
2. The facility must issue the payment to direct care workers by December 15, 2005.
3. The bonus payment must be directly related to the direct care add-on compliance program. For example, a facility may not count a previously scheduled wage increase toward this bonus payment.

4. The facility must provide the Division with a copy of the payroll register listing the following:

- name of the nursing facility
- the name of each employee paid
- the name and department number
- the bonus amount paid
- the employer payroll tax portion
- the date of payment.

This must be submitted to the Division by December 20, 2005. The total amount of the payment must equal or exceed the full amount of the funds not spent (Schedule D, line 8 on the Administrative Bulletin 05-05 worksheet).

The Division will offset this bonus amount from the rate period payments when determining compliance for future periods. If the Division later audits a facility and determines that the facility owed more than initially reported and paid out as a bonus, the facility will be subject to a recoupment as specified in 114.2 CMR 6.06(1)(c). The recoupment amount will be the amount of funds not spent less the bonus, times 150%. This recoupment provision also applies to those facilities that initially reported no funds unspent.

Administrative Bulletin 05-07

Commonwealth of Massachusetts
Division of Health Care Finance and Policy
Nursing Facility Direct Care Bonus Payment Form SFY2005

Facilities that wish to make a bonus payment to direct care workers in compliance with Administrative Bulletin 05-07 must return this form to the Division of Health Care Finance and Policy, 2 Boylston Street, Boston, MA 02116-4737 Attn: Jenny Wan by November 1, 2005.

Facility Name:	
VPN:	
Address:	
City:	
ZIP:	
Contact Person:	
Contact Phone:	
Contact Fax:	
Contact E-mail:	

Reported SFY 2004 Cost Per Nursing Minute:	
Reported SFY 2005 Cost Per Nursing Minute:	
Amount of unspent funds to be paid as a bonus:	
Date of planned bonus payment:	
Number of employees expected to receive bonus:	